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DIFFERENT MODELS OF PERFORMANCE EVALUATION - A DESCRIPTIVE STUDY

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ABSTRACT

Organizations are complex enterprises requiring careful leadership to achieve their missions and objectives. In an uncertain environment, characterized by increasing competition for scarce resources, the time allowed to management to make decisions has shortened while the need for timely and meaningful information has increased" (Niven1, 2003, p. 14). As a consequence, accountability and performance measurement have become paramount for organizations. This paper clearly evaluate Models in Relation to Performance Evaluation in corporate sector.

KEYWORDS: *Performance Evaluation, Appraisal Methods.*

INTRODUCTION:
Employee performance is related to job duties

Performance Evaluation Model
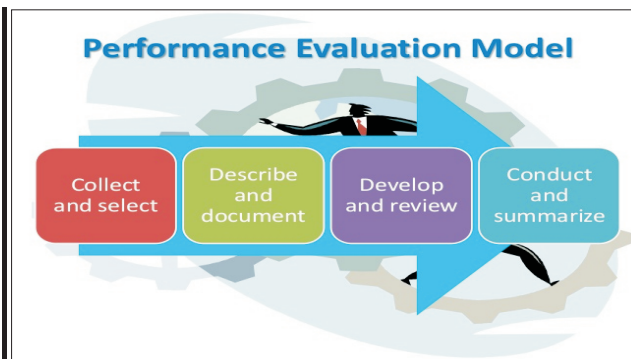
which are expected of a worker and how perfectly those duties were accomplished. Many managers assess the employee performance on an annual or quarterly basis in order to help them identify suggested areas for enhancement. Performance appraisal (PA) system depends on the type of the business for an organization. PA mostly relates to the product output of a company or the end users of an organization. Generally, performance appraisal aims to recognize current skills' status of their work force. Any standard appraisal system consists of collection of data in which information is extracted from then converted into a real number called performance rating. The employees' contribution to an organization depends on the evaluation of his/her rating. It is essential to have accurate unbiased appraisal assessment in order to measure the employees' contribution to organization objectives. Employers/ managers use characteristics such as knowledge in particular field, skills to achieve a goal and target achieving attitude in order to decide on the employee's performance level. Since these factors mostly are uncertain and vague in nature a fuzzy performance appraisal method is more

appropriate. Several appraisal methods are used for employee performance appraisal such as Graphic rating scale method, forced choice distribution method, behavioral check list method, etc. Some methods that were utilized in the past are not currently used like ranking, critical incident, and narrative essays. New methods have been suggested for performance appraisal technique like MBO and assessment Centers. The survey also reviews and classifies some evaluation techniques used in multi criteria environment.
• Models in Relation to Performance Evaluation Easterby Smith (1994) argue that evaluation of training consist of three main elements: people, systems and things. Evaluation of people and their performance usually takes the form of examination in the context of education establishments or of appraisals and

performance reviews within the organizations.

Smith research only finds five cases of formal management training which used system or financial evaluation. It suggested that the reason is partially a lack of effective performance level evaluation methods. However, some efforts have been made to link evaluation to performance improvement as well as to employ the methods of performance evaluation which are relevant to management training and development.

1. Balanced Scorecard (Kaplan and Norton)

Kaplan and Norton (1992) introduced the balanced scorecard in 1992, a set of measures linked to organizational performance, which is described as a check-and –balance system. It involves the interpretation of the organization`s strategy into specific measurable objectives across four perspective; customers, internal business process, learning and growth and finance and aims at balancing business management.

In contrast to the traditional, financial based measurement systems, the balanced scorecard consolidates organizations focus on long term win by centralizing business strategy and vision. The other merit is that this approach is consistent with many new business initiatives such as cross –functional integration, globalization, customer- supplier partnership and continuous improvement. This approach provides a fresh thinking to assess the impact of management training on those organizations which are underpinned by diversity and paradigm change.

2. The 360 Degree Feedback System (Nowack, 1993)

The term "360 degree feedback" refers to the process of an employee doing a self- assessment, being rated by his/her supervisors, peers, subordinates and even customers. This model is more popular in America and widely applied in business and industries, which can be used in a wide range of HRD activities such as management development, training and organizational development evaluations, style and leadership awareness, and career development.

Nowack argues that the 360 degree assessment provides intensive information about employees` knowledge, skills and attitudes based on job-analysis, competencies, strategic planning, developmental theory and personality theory. Its application to management training and development is closely linked with training programmes and training needs analyses, which identify critical KSAs factor, and cited different developmental stages and thus establish as a baseline for evaluation of training and development.

3. Learning Oriented evaluation Model

Learning has been widely accepted as a key element to be measured in management training and development. Kolbs (1991) argue that the most fundamental task of evaluation of training and developmental is to determine whether the learning objective have been achieved in the training process. This highlights the central role of learning in evaluating training and development. Learning is influenced by individual ability and styles, which in turn impact on the organizational outcomes and beyond. Some latest studies on evaluation of training and development have paid more attention to learning effectiveness and the focus has shifted from instruction-led to learner –driven.

4. Objective Oriented Model (McClelland)

The object oriented evaluation of training model developed by McClelland (1994) incorporate evaluations closely with training process of which include following elements:

• Training needs analysis is to collect data related to skills or knowledge required to achieve better performance. It is suggested to assess skill or knowledge gaps in different categories like competence-based skills, soft skills like communications skills, knowledge on total quality management.

• Short and long term objectives refers to the development of short and long term objectives based on training needs assessment. That argues that objectives should be realistic, attainable, measurable and observable and be written in action and results oriented format.

• Pre course conditions are to define pre-course conditions and establish observable and measurable standards for the comparison and analysis of the pre-training and post-training conditions.

• Immediate post course feedback refers to the assessment of short-term objectives immediately after training. The information collected is both qualitatively and quantitatively oriented and directly reflected back on the

stated short-term-objectives.

• Long-term feedback is to compare the long term objectives with pre-course standards and identify the discrepancies. It seeks to link the outcomes of the course to the observable results on the job.

Summary implies to summarize whether the courses are successful or not. The result of evaluation is then to be recorded and filled in a composite format as reference for future programmes.

Figure 1:2 Objective Oriented Training Evaluation Procedural Model

Source : McClelland (1994)
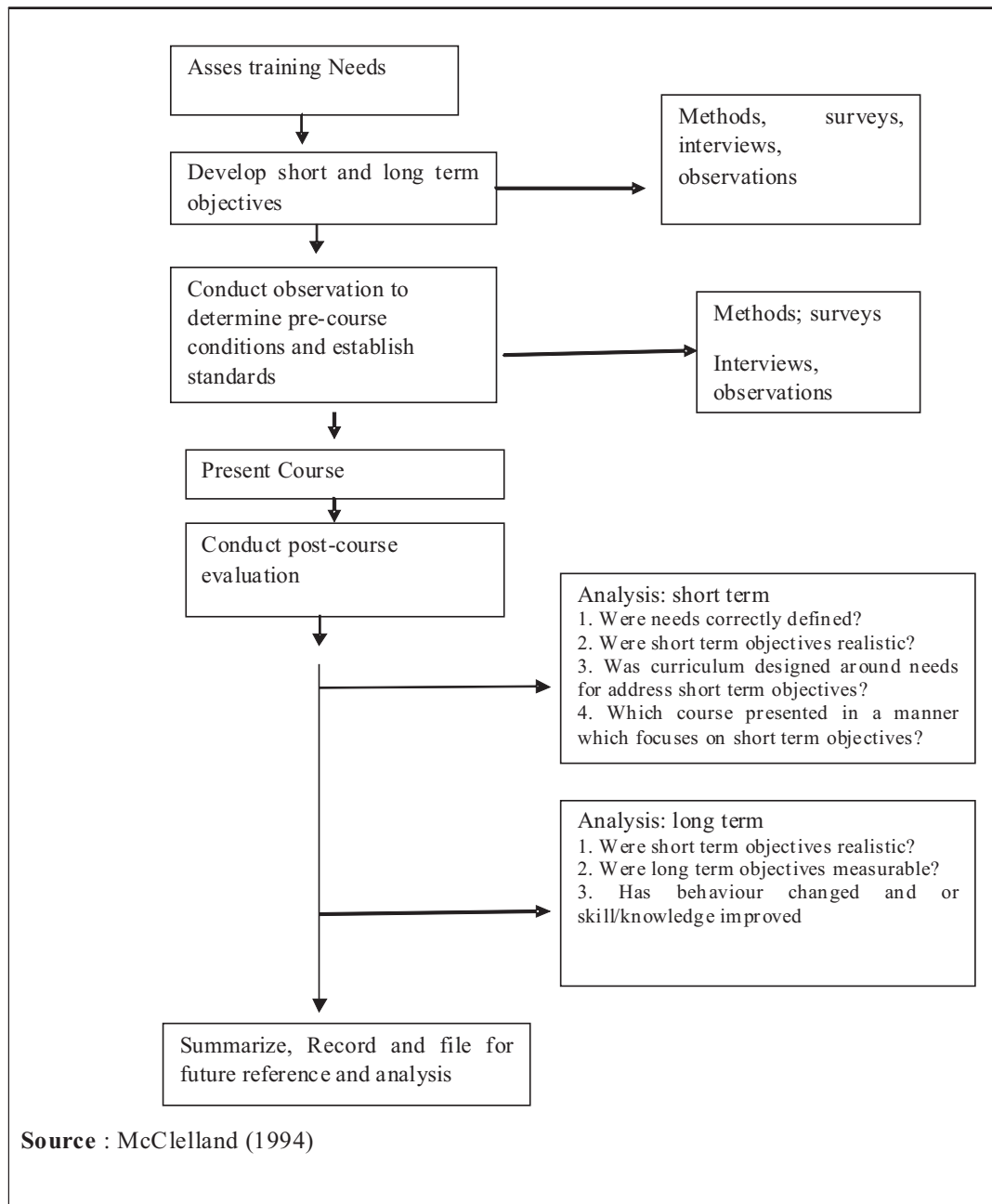
The following are the topical traditional methods that were used in the past:

a) Ranking Method : Superior ranks his employee based on merit from best to worst . However how best and why best are not elaborated in this method.

b) Graphic Rating Scales : In 1931 a behaviorism enhancement was introduced to graph rating scale . According to [2], graphic rating scale is a scale that lists a number of traits and a range of performance for each. The

employee is then graded by finding the score that best defines his or her level of performance for each trait.

c) Critical Incident Method : This method is concentrated on certain critical behaviors of employee that makes significant difference in the performance. According to , critical incident method keeps a record of unusually employee's work related behavior and revisit it with the employee at prearranged times.

d) Narrative Essay : In this method the administrator writes an explanation about employee's strength and weakness points for improvement at the end of evaluation time. This method primarily attempt to concentrate on behavior . Some of the evaluation criterion are as follows: overall impression of performance, existing capabilities & qualifications, previous performance, and suggestions by others.

Modern Methods: Modern Methods were formulated to enhance the conventional methods. It tried to enhance the shortcomings of the old methods such as biasness and subjectivity. The following presents the typical modern methods:

e) Management by Objectives (MBO) : The performance is graded against the achievement of the objectives specified by the management. MBO includes three main processes; object formulation, execution process and performance feedback . Weihrich proposed the system approach to management by objectives. It consists of seven components; strategic planning and hierarchy of objects, setting objectives, planning for action, implementation of MBO, control and appraisal, subsystems and organizational and management development.

f) Behaviorally Anchored Rating Scales (BARS) : BARS contrast an individual's performance against specific examples of behavior that are anchored to numerical ratings. For example, a level three rating for a doctor may require them to show sympathy to patients while a level five rating may require them to show higher levels of empathy. BARS utilize behavioral statements or solid examples to explain various stages of performance for each element of performance .

g) Humans Resource Accounting (HRA) : In this method, the performance is judged in terms of cost and contribution of the employees. Johnson incorporate both HRA models and utility analysis models (UA) to form the concept of human resource costing and accounting (HRCA).

h) Assessment Center : An assessment center is a central location where managers may come together to have their participation in job related exercises evaluated by trained observers. It is more focused on observation of behaviors across a series of select exercises or work samples. Appraisees are requested to participate in in-basket exercises, work groups, computer simulations, fact finding exercises, analysis/decision making problems, role playing and oral presentation exercises .

i) 360 Degree : It is a popular performance appraisal technique that includes evaluation inputs from a number of stakeholders like immediate supervisors, team members, customers, peers and self [4]. 360 Degree provides people with information about the influence of their action on others.

j) 720 Degree: 720 degree method concentrates on what matter most, which is the customer or investor knowledge of their work [10]. In 720 degree appraisal feedback is taken from external sources such as stakeholders, family, suppliers, and communities. 720 degree provides individuals with extremely changed view of themselves as leaders and growing individuals. It is 360 degree appraisal method practiced twice.

CONCLUSION

Performance Evaluation is a constructive process to acknowledge the performance of a non-probationary career employee. An employee's evaluation shall be sufficiently specific to inform and guide the employee in the performance of her/his duties. Performance evaluation is not in and of itself a disciplinary procedure. We conclude that there are several methods that were utilized for performance appraisal. It is very hard to state which method is better to use than others since it depend on the type and size of business. Every method has its own pros and cons. Regular employee evaluation helps remind workers what their managers expect in the workplace. They provide employers with information to use when making employment decisions, such as promotions, pay raises, and layoffs. In a traditional employee evaluation, the manager or supervisor writes and presents the employee's contributions and shortcomings to the employee. The manager and employee then discuss improvements. Some organizations ask the employee to write a self-evaluation before the meeting.

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